

APR 8 '98 11-30AM

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RECORDATION NO. 213-23- FILED

OF COUNSEL
URBAN A. LESTER

APR 8 '98 11-30AM

April 8, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Progress Payment Loan Agreement and Security Agreement, dated as of March 30, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of each of two Memoranda of Collateral Assignment, also dated March 30, 1998, secondary documents related thereto.

The names and addresses of the parties to the enclosed documents are:

Memorandum of Progress Payment Loan Agreement
and Security Agreement

Secured Party - ~~Debtor~~

Charter Financial, Inc.
153 East 53rd Street
New York, New York 10022

Debtor - ~~Secured Party~~

Southern Illinois Railcar Company
Executive Park Two
505 Buckeye Drive
Troy, Illinois 62294

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Counterparts -

Mr. Vernon A. Williams
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Memoranda of Collateral Assignment of Rights
Under Railcar Lease Agreement

Assign^{ee}~~or~~: Charter Financial, Inc.
153 East 53rd Street
New York, New York 1002

Assign^{or}~~ee~~: Southern Illinois Railcar Company
Executive Park Two
505 Buckeye Drive
Troy, Illinois 62294

A description of the railroad equipment covered by the enclosed documents:

fifty-one (51) covered railcars bearing ERCX reporting marks and road numbers set forth on Exhibit A attached to the Memorandum.

Also enclosed is a check in the amount of \$78.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

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MEMORANDUM OF COLLATERAL ASSIGNMENT
OF RIGHTS UNDER RAILCAR LEASE AGREEMENT

THIS MEMORANDUM, dated as of March 30, 1998, is made by and between Charter Financial, Inc. a New York corporation with an office at 153 East 53rd Street, New York, New York 10022 ("Charter"), and SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, with its chief executive office and principal place of business at Executive Park Two, 505 Buckeye Drive, Troy, Illinois 62294 (the "Borrower").

Borrower and Charter hereby state the following:

1. Borrower and Charter are parties to that certain Full Recourse Assignment Agreement dated as of March 30, 1998 (the "Collateral Assignment"), whereby Borrower, to secure the payment and performance of any and all of Borrower's obligations to Charter, granted to Charter an unconditional assignment of the rights of the Borrower, as the assignee of the lessor, under Lease Agreement dated October 25, 1997 between Southern Illinois Railcar Company and Excel Rail Corporation as lessee.
2. Said collateral assignment extends to the railcars, and only to the railcars, that are identified in Schedule 1 attached hereto.
3. Reference is made to the Collateral Assignment for a further description of the rights of Charter under the Collateral Assignment.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

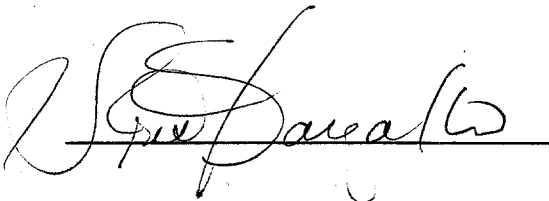


SOUTHERN ILLINOIS RAILCAR COMPANY

By: 

Fred L. Parsons
President

WITNESS:



CHARTER FINANCIAL, INC.

By: 

Name: BRIAN TWOMEY
Title: VICE PRESIDENT

**EXHIBIT A
LIST OF RAILCARS**

Fifty One 51 Covered hopper railcars each having a capacity of 4,427 cubic feet, equipped with three (3) pockets and three (3) gravity outlet gates, having trough hatches, bearing reporting marks as follows:

ERCX4400, ERCX4401, ERCX4402, ERCX4403, ERCX4404, ERCX4405, ERCX4406,
ERCX4407, ERCX4408, ERCX4409, ERCX4414, ERCX4416, ERCX4417, ERCX4418,
ERCX4419, ERCX4420, ERCX4421, ERCX4422, ERCX4423, ERCX4425, ERCX4426,
ERCX4427, ERCX4428, ERCX4429, ERCX4430, ERCX4431, ERCX4432, ERCX4433,
ERCX4434, ERCX4451, ERCX4474, ERCX4476, ERCX4477, ERCX4478, ERCX4479,
ERCX4480, ERCX4481, ERCX4485, ERCX4486, ERCX4487, ERCX4488, ERCX4490,
ERCX4491, ERCX4498, ERCX4506, ERCX4511, ERCX4512, ERCX4522, ERCX4523,
ERCX4526, ERCX4528, ERCX4529, ERCX4532, ERCX4533, ERCX4537

STATE OF ILLINOIS)
)
COUNTY OF MADISON) SS:

On this 30th day of March, 1998, before me, a Notary Public of the County and State aforesaid, personally appeared Fred L. Parsons, to me personally known, who being by me duly sworn, says that he is the President of Southern Illinois Railcar Company, an Illinois corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Janice A. Tweedy
Notary Public

My commission expires: February 23, 2000

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) SS:

On this 6th day of April, 1998 before me, a Notary Public of the County and State aforesaid, personally appeared Brian Twomey, to me personally known, who being by me duly sworn, says that (s)he is the Vice President of Charter Financial, Inc., a New York corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

A handwritten signature in cursive script, appearing to read "L. Baker", written over a horizontal line.

Notary Public
LOUISA L. BAKER
Notary Public, State of New York
No. 31-4955650
Qualified in Westchester County
Commission Expires September 5, 1999

My commission expires: